ADEN COLONY

Memorandum on

Five-Year Development Plan

1952-53 to 1956-57

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Introduction

The purpose of this memorandum is to set out the Government propsals for major works and capital development during the five-year period 1952-53 to 1956-57. The memorandum is divided into five parts.

PART I. Contains a general account of the previous development proposals and the considerations which have guided the preparations of the draft plan now proposed.

PART II. Contains a review of the financial resources estimated to be available for development during this period.

PART III. Sets out the schemes which it is proposed should be included in this five-year plan.

PART IV. Analyses the recurrent effect of the plan, and

PART V. Contains a brief note on Colonial Development and Welfare schemes and also a brief note regarding revenue.

It should be noted that this memorandum is based on a review made in April 1953 of certain draft proposals submitted to the Secretary of State for the Colonies in April 1952 and to which his approval in principle has been given. It is estimated that during the period ending 31st March, 1957, the Colony should be able to obtain finance up to £5,557,000 and that these funds should be spent on schemes which total £5,416,000.

The memorandum also indicates that by 1957-58, when it is hoped that most of these schemes will be in operation, the recurrent commitments arising from these schemes will total approximately £152,490 per annum. If "C" Class housing rents are subsidised to the extent of Sh.20 per month this commitment will increase to £189,690 per annum. These figures exclude any possible unrecovered expenditure under "Public Debt."

Five appendices are attached which set out in tabular form the various estimates which are contained in this memorandum.

FIVE-YEAR DEVELOPMENT PLAN
1952-53 to 1956-57

PART I

General Considerations Affecting the Plan

1. Up to the 31st March, 1952, the Colony's Development Plan was guided by the First and Second Reports of the Development Committee. The First Report (1947) drew up a plan estimated to cost £1,614,500. This plan was revised by the Second Report (1949) and expenditure of £2,033,000 was proposed. As development is a continuing process it would be confusing at this date to attempt to consider those proposals in the various compartments into which they were originally placed. But a number of schemes have been carried forward from those proposals into the five-year period beginning on the 1st April, 1952, so it is helpful to regard those development proposals as forming part of a first five-year plan which had to some degree been completed by the 31st March, 1952. That plan is shown in Appendix I. It has been set out under different headings but the details accord with the original proposals.

2. A glance at that Appendix will show that whereas in 1949 it was estimated that a development plan of £2,033,000 could be undertaken, by March 1952 the estimated cost of completing the 12 projects which remained out of a total number of 21 was £2,259,972. A year later the estimated cost of those same schemes had risen to £2,827,934.

3. In the Second Report of the Development Committee it was estimated that the resources available to the Colony for development were as given in the second column below, and the comparable figures at the 31st March, 1952, are given in the third column.

	1949	31st March 1952
Ex-Aden Settlement Fund ..	226,351	226,351
Surplus balances	850,000	1,500,000
Colonial Development and Welfare Act, allocation	300,000	225,000
Colony Loan	660,000	660,000
	£2,036,351	£2,611,351

These estimates of resources omit reference to the General Reserve for £750,000 (which is not considered to be available for Development), the Renewals Funds, the recovery of loans made for Jewish Rehabilitation, and a working balance for the Colony of £300,000.

4. It was apparent from this preliminary survey of the position that there was an urgent need to increase the resources available for development, partly so that the Colony could complete the plan already drawn up even if prices rose still further, and partly so that adequate advance preparation could be made for other developments, of which the "C" Class Housing Scheme estimated to cost £1,100,000 was one.

5. The first step which had to be taken was to create a Development Fund. The purpose of this Fund was to separate development expenditure completely from the ordinary Colony Budget. By this separation it was hoped it would be possible to balance the resources available for development more easily and accurately against the latest available estimates of development expenditure. The Development Fund was created by the transfer in March 1952 of £1,000,000 from the Colony's surplus balances.

6. The second step was to obtain approval to a policy involving a regular annual contribution from Colony revenue to the Development Fund. The main purpose of this proposal was to try to increase the amount of money available for development schemes. It was also intended to demonstrate that it was proposed to use for development local resources to the maximum extent possible. The original intention was to contribute an annual sum of £200,000 from revenue, though this figure was to be subject to revision either upwards or downwards in the light of available revenue.

7. The third step was to revise the earlier estimate of the Colony's loan requirements. The cost of the schemes on which it was proposed to use loans funds had more than doubled in price. Apart from this, it was clear that even with a contribution of £1,000,000 from Colony revenue during the next five years the resources available would be insufficient for even the most urgently needed schemes.

8. Additional urgency was given to this matter by the proposal to build an oil refinery at Little Aden. That scheme was expected to require the Aden Government to build works costing about £4,000,000, none of which appeared in the Colony Development Plans. It was important therefore, that an up-to-date picture, however rough, of the Colony's capital needs and development schemes should be prepared in order that a proper appreciation of the resources of money, men and materials required for these developments could be obtained. The most pressing problem was one of staff especially for the Public Works Department. It was also clear that the rapid development of a major industry in the Colony would emphasise the need for the early completion of existing development schemes, and the assumption of additional commitments. Parallel with the Little Aden development there are major works projected by the Services and also the Aden Port Trust. Against this general background of expansion, it was clearly necessary for the Colony to take urgent action to present its own development proposals in an up-to-date manner in London.

9. Certain other factors also had to be considered. First, the Colony had been informed that it was imperative that the demand for loan funds should be kept to the lowest possible figure. Secondly, it was essential that any planning must endeavour to be based on a realistic appreciation of the capacity of the Public Works Department (by which is included the ability of the department to supervise the work of contractors). Thirdly, an important feature of all capital schemes is their recurrent effect, and their revenue earning capacity. Fourthly, it is necessary to try and take into account an intangible factor which may be described as the community's ability to absorb development schemes. Not only are questions of supply, labour and communications involved, but also the availability of housing and the staff to run the completed schemes.

10. All the considerations set out in the last two paragraphs combined to direct the rough lines along which action should be taken. In the first place a very early statement of loan money requirements had to be given to the Secretary of State, and a despatch was addressed to him in the middle of April 1952 asking that the Colony's loan allocation should be increased from £660,000 to £2,385,000. Secondly, it was clear that although the Public Works Department capacity was very low the public interest made it essential that this should be increased. Thirdly, difficulty of foreseeing revenue trends without a lengthy survey made it difficult to gauge the Colony's ability to accept more recurrent expenditure. This could be partially overcome by preference being given to economic schemes. After careful consideration of all these factors, it was thought that the Colony should be able to contemplate development expenditure of approximately £1,000,000 annually for the next five years, and that there should be a reasonable chance of spending £5,000,000 by 1957. The programme which was sent to the Secretary of State in support of the loan application for £2,385,000 was estimated at £5,205,000.

11. A lesson to be learned from the Colony's previous arrangements for dealing with Development was that reviews of the position separated by two years and then three years are not sufficient to ensure that the plans are kept up to date and adequate measures taken in advance to keep resources up to requirements. It is therefore an essential part of this Development Plan that it shall be reviewed in full at least once every year. The objectives in such a review will include a review of resources, and a re-assessment or re-affirmation of priorities. With a Development Fund in being readjustments on these lines should be a straight-forward matter.

PART II

Financial Resources Available For Development

12. On the 1st April, 1952, it was estimated that the draft Development Plan would cost £5,205,097 to complete, and that £5,330,000 would be available to finance it if the Colony could be given permission to raise a loan of £2,385,000. This amount included a sum of £150,000 to be borrowed for an additional wing at the new Civil Hospital to deal with patients from the refinery at Little Aden. The position as at 1st April, 1953, was that a revised programme was now estimated to cost £5,416,224, for which it was estimated £5,557,541 could be found if the Colony could be permitted to borrow or raise funds totalling £3,000,000 as opposed to £2,235,000 during the period ending 1956-57. To make the position clear the comparative figures are as follows—

	Estimated at 1-4-1952 £	Estimated at 1-4-1953 £
Transfer from surplus balances	1,500,000	225,000
,, Ex-Aden Settlement Fund ..	220,000	226,351
Balance of C. D. & W. allocation ..	225,000	233,550
Contribution from H.M.G. loan for refinery projects towards wing at new Civil Hospital	150,000	150,000
Contribution from revenue	1,000,000	500,000
Estimated balance in Development Fund on 1-4-53	—	1,222,640
Colony Loans	2,235,000	3,000,000
	£5,330,000	5,557,541

13. Explanations of the items listed in the preceding paragraph are given below—

(1) *Transfer from Surplus Balances.*—A transfer of £1,000,000 was made from surplus balances to the Development Fund in early 1952 and a further transfer of £520,000 was made in early 1953. It is anticipated that during the four years ending 31st March, 1957, it will be possible to transfer a further sum of £100,000, and also to transfer an amount of £125,000 which is at present on loan to finance stocks of essential foodstuffs.

(2) *Transfer Ex-Aden Settlement Fund.*—A transfer of £226,351 was made to the Development Fund on 1st April, 1953, and the item in the Colony Balance Sheet entitled Balance Ex-Aden Settlement Fund disappeared as from that date.

(3) *Balance of C. D. & W. Allocation.*—The Colony has been allocated £300,000 from Colonial Development and Welfare Funds. Of this amount £56,000 has been sub-allocated for the new civil airport building; it is proposed that £44,000 should be sub-allocated to meet part of the cost of the working class dwellings scheme at Sheikh Othman, and £200,000 towards the new civil hospital. It is estimated that at 1st April, 1953, the Colony was still entitled to draw £233,550 from the Colonial Development and Welfare Fund, subject of course to the approval of the Secretary of State to all proposed expenditure.

(4) *Contribution from H.M.G. to Cost of Civil Hospital.*—When the refinery project was approved, the Anglo-Iranian Oil Company, Ltd., informed Government that it would require a wing containing 70 beds at the new civil hospital for patients from the refinery who would require special treatment for the injuries usually associated with oil refineries. It was regarded at that time that a desirable policy was that the company should be treated on an equality with other commercial concerns. It was considered that it should pay taxes as any other firm, and amongst other things it was felt that Government could reasonably be expected to provide hospitalisation. Provision for this was therefore originally included in the estimated requirement under a Colony loan. This service is however only one among many which Government is being expected to expand and extend because of the refinery project, and H.M.G. has agreed to make a loan of £4,000,000 available to finance the works required. It is considered that £150,000 would be a reasonable allocation from this loan for the special wing. In view of rising costs it may be necessary to increase the figure, but there are no firm estimates available as yet on which to base a higher contribution. The construction by Anglo-Iranian Oil Company, Ltd., of a hospital at Little Aden also changed the circumstances, and the policy to provide accommodation for refinery cases at the new civil hospital may need revision.

(5) *Contribution from Revenue.*—It was originally proposed that a sum of £200,000 should be contributed each year for five years. Additional recurrent commitments, notably items such as a Defence Contribution (£40,000) a grant-in-aid to the Municipality, rising costs and an anticipated lower yield from income tax have changed the revenue prospects unless and until further taxation can be brought into effect. It was estimated that the contribution in 1953-54 would not exceed £130,000 and that in the three following years only £100,000 each year would be available. Since this assessment was made a higher contribution will be possible. A Revenue and Expenditure Committee has been considering the Colony's financial commitments and is reporting on fiscal measures which would enable the Development contribution to be restored to the figure of £200,000 per annum. Until the policy on this question is decided, the original assessment is retained with one exception. Since the original assessment was made the estimate of the yield of income tax on the salaries of employees engaged on the refinery construction is £250,000 in 1953-54. The contribution to Development is therefore restored to the

1952-53 figure of £170,000 plus £30,000 transfer of interest on investments making a total contribution for the year from revenue of £200,000. Approval to this proposal has yet to be obtained.

(6) *Balance in Development Fund on 1-4-53.*—The title of this item explains itself. If the expenditure in 1952-53 was less than estimated resulting in a larger balance on 1-4-53 the increase in the balance will be offset by higher commitments to complete the schemes.

(7) *Colony Loans.*—The Colony has been informed by the Secretary of State that its loan programme, involving the raising of £2,235,000 plus £150,000 appears reasonable and has been noted provisionally as an assessment of the amount of external money which the Aden Government may require in meeting its development needs in the next five years, subject to the absorptive capacity of the market and to the full use of other available funds. It has been recommended to the Secretary of State that the original figure of £2,235,000 should be increased to £2,500,000 as this is in fact required and is furthermore a more reasonable sum to borrow by way of a loan. No firm proposals are yet put forward for obtaining the balance of £500,000 required to bring the total up to £3 million as shewn in the above table. It is hoped that the amount will be obtainable from local sources (e.g., an increased contribution from revenue), but if local sources are unable to meet the balance it will be necessary to apply for permission to raise a further loan.

14. Appendix III shows how it is proposed to draw on the various sources of money during the period ending 31st March, 1957.

PART III

The Capital Programme

15. In paragraph 2 it is stated that the estimated cost of schemes carried forward from the first five years of development was £2,259,972. A year later this same programme had increased to £2,827,934. In order to make the position clear the changes in this programme are set out in the table below—

TABLE No. 1

SCHEMES BROUGHT FORWARD ON 1ST APRIL, 1952

	Funds estimated to be required to complete on	
	1-4-1952	1-4-1953
	£	£
D.1—SOCIAL SERVICES—		
A.—Education—		
1. Girls' College	100,000	98,212
2. Aden College	53,575	16,000
3. Scholarships	2,784	1,844

	Funds estimated to be required to complete on 1-4-1953 £	1-4-1953 £
B.—Medical and Public Health—		
4. New Civil Hospital	950,000	1,097,808
5. Health Centres	15,000	—
6. Improvements to Sanitary Outfalls	9,375	—
7. Water-borne Sewage scheme ..	—	615,000
Total: Social Services ..	£1,130,734	1,828,864
D.2—COMMUNICATIONS—		
1. New Roads and Footpaths ..	135,021	23,363
2. New Telephone Exchange ..	252,712	354,362
Total: Communications..	£387,733	377,725
D.3—PUBLIC UTILITIES—		
1. Electricity: New Power Station	556,600	514,854
2. Water Supply	45,000	17,179
Total: Public Utilities ..	£601,600	532,033
D.4—HOUSING—		
1. Working Class Dwellings ..	61,403	45,893
2. Quarters for local staff ..	39,997	41,965
Total: Housing.. ..	£101,400	87,858
D.5—MISCELLANEOUS—		
1. Recreational facilities	38,505	1,454
Total: Heads D.1 to D.5	£2,259,972	2,827,934

16. As already stated in Part I it was necessary to add to the programme set out in paragraph 15 various other schemes for which an urgent demand had arisen. The schemes are listed in the table given below. Explanations of each individual proposal are given after the table. The table also shews the extent to which this programme had to be varied in April 1953 on account of increased costs, and a less favourable estimate of the resources available for development during the five-year period. The change in this respect has been dealt with in Part II.

TABLE No. 2

NEW SCHEMES

ADDITIONAL TO THE PROGRAMME IN TABLE NO. 1

	Funds estimated to be required to complete on 1-4-1952 £	1-4-1953 £
D.1—SOCIAL SERVICES—		
A.—Education—		
1. Second Five-Year Plan ..	148,000	—
2. Grants-in-Aid (Capital) ..	—	33,725
B.—Medical and Public Health—		
3. Sewerage Scheme: Plans ..	20,000	—
Total: Social Services	£168,000	33,725
D.2—COMMUNICATIONS—		
1. Major Roads: Reconstruction £	—	200,000
D.3—PUBLIC UTILITIES		
1. Water Supply	345,700	329,200
2. Electricity: New Mains and Services	200,000	250,000
Total: Public Utilities ..	£545,700	579,200
D.4—HOUSING—		
1. "C" Class Housing Scheme ..	1,115,000	1,100,000
2. Housing for Expatriate Staff (2nd Instalment)	65,000	32,014
3. Housing for Local Staff (2nd Instalment)	85,000	85,000
4. Police Housing	198.000	—
Total: Housing	£1,463,000	1,217,014

	Funds estimated to be required to complete on 1-4-1952 £	1-4-1953 £
D.5—MISCELLANEOUS—		
1. New Government House ..	50,000	50,000
2. Rubble Mound: Share of Cost, Coal Wharves	72,000	72,000
3. Loans to Primary Producers ..	50,000	50,000
4. Government Offices	200,000	100,000
5. Markets	50,000	—
6. Land Reclamation, Maalla ..	400,000	—
7. Purchase of Central Quarry and Asphalt Plant	—	50,000
8. Public Works Department Vehicle Workshop	—	10,000
9. Capital grant to Aden Municipality	—	226,351
Total: Miscellaneous ..	£822,000	558,351
TOTAL: Heads D.1 to D.5	£2,998,700	2,588,290

17. As already stated the programme which had been drawn up in April 1952 had to be scaled down and altered in April 1953. This was because certain approved schemes had increased in cost, because the resources available for development were estimated to be rather less than originally thought, and because there were certain other schemes which were considered to be of greater importance and urgency. The detailed explanations which follow should make the position clear.

TABLE No. 1.

SCHEMES BROUGHT FORWARD ON 1-4-1952

(1) *D.1, A, Item 1: Girls' College.*—Scheme included in programme in 1947. Work not yet started. It is hoped to complete it so that the College can open in September 1955. The building will provide secondary education and teacher training for girls, as well as laboratory and domestic science facilities. Boarding for some 30 pupils is eventually to be provided.

(2) *D.1, A, Item 2: Aden College.*—Scheme included in programme in 1949 at a cost of £140,000. Owing to revision of the scheme and to increased costs for labour and materials this figure was increased to £196,000; but the cost is now expected to be about £210,000. £16,000 is required to complete the scheme.

(3) *D.1, A, Item 3: Scholarships.*—Scheme included in programme in 1947. Completion of scheme.

(4) *D.1, B, Item 4: New Civil Hospital.*—Scheme included in programme in 1947 at £400,000. Approved estimates are not yet available, but are being prepared. The sum now allocated is £1,100,000. This is intended to cover a central block containing specialist services, a wing for dealing with patients from the refinery at Little Aden, additional wards and staff housing. It is proposed that the total extra accommodation shall be about 220 extra beds. The allocation is intended to be inclusive; that is to say, it is intended to cover not only direct construction costs, but also medical equipment, furnishings and apparatus, architects' and consultants' fees and other similar direct and indirect charges.

This scheme will raise the number of beds available at Government civil hospitals from 350 beds to 570. The scheme is a first instalment of a larger plan to replace the present civil hospital. It was originally thought that the larger plan would cost about £1,310,000 and that this should be spread over a longer period than five years. At that time the first instalment was estimated to cost about £950,000, so it is improbable that the larger plan would now cost less than about £1,600,000.

The first instalment does not provide for any reduction in the accommodation provided at the old civil hospital. When progress can be made with the larger plan, it will be necessary to decide in the light of circumstances the extent to which accommodation and facilities should be transferred to the new civil hospital. At present this programme does not envisage any further expenditure on later instalments of the larger plan before 1957.

(5) *D.1, B, Item 5: Health Centres.*—This item was included in the 1947 proposals. But the scheme has hung fire and is now abandoned in favour of more pressing needs.

(6) *D.1, B, Item 6: Improvements to Sanitary Outfalls.*—Scheme included in programme in 1949. In view of the proposals for proceeding with a sewerage scheme, item (7) below, this scheme is not being continued.

(7) *D.1, B, Medical, Item 7: Water-borne Sewerage Scheme.*—£100,000 was included in the programme in 1947. It was deleted from the programme in 1949 because it was considered that a main sewerage service system would be too expensive for the bulk of the population who would not take advanatge of it. It was also considered that an abundant water supply would be needed, and that this was not yet assured.

A scheme was prepared by the consulting engineers and was estimated at £600,000 in 1948. This scheme would probably cost over £1,000,000 today. It could therefore be held that financial considerations make it even more difficult to carry out this scheme.

But the position has now been reached when it is difficult to discharge more sewage into the harbour or sea round Aden and the nuisance arising from the present system gives rise to much justifiable complaint. It is also becoming increasingly difficult to dispose of land because of the difficulty of increasing the number of soakage pits or making additional connections to the sewers. It is therefore imperative that some measures should be taken to tackle the problem of sewage disposal.

In the 1952 edition of the programme £20,000 was included, but in the 1953 edition this was reduced to £15,000 for the purpose of making a more detailed examination of the problem with the object of putting forward proposals either for modifying the original scheme, or of so staging it that the major obstacles can be overcome. In view of the urgency of this problem it is considered that £600,000 should be earmarked for this scheme, and the scheme itself should be re-instated in the programme. A consolidated sum of £615,000 is therefore included.

(8) *D.2, Communications, Item 1: New Roads and Footpaths.*–£200,000 for this scheme was included in the 1947 programme. Steady progress has been made on the scheme each year. With the creation of a Municipality on the 1st April, 1953, the responsibility for new roads and footpaths passed by law to the Municipality. It was accordingly approved in Legislative Council that a capital sum should be transferred from the Development Fund to the Municipality to enable it to continue with the building of new roads and footpaths in the Fortress area. A capital sum of £226,351 was ultimately transferred, and this item is shown in Table No. 2 under which further explanation will be found. Of this sum of £226,351 an amount of £96,408 was the amount regarded as transferred for the new roads and footpaths scheme. It was therefore estimated in the 1953 edition of the Development plan that £23,363 would be available for new roads and footpaths outside the Fortress area.

(9) *D.2, Item 2: New Telephone Exchange.*—A sum of £100,000 was included in the 1947 programme. Work is in progress, and it is estimated that £354,362 is required to complete the scheme.

(10) *D.3, Item 1: Electricity: New Power Station.*—A sum of £100,000 was included in the 1947 programme for a new power station. The latest estimate of the total cost of this scheme (which will provide 10,000 kW. generating capacity) is £776,000, of which it is estimated £514,854 is still required to complete the scheme.

(11) *D.3, Item 2: Water Supply.*—£100,000 was included in the 1947 programme for major improvements to the water supply. These included 5 additional boreholes, a new pumping station at Isthmus, a new 3,000,000-gallon reservoir at Main Pass and new 12" distributing mains. The scheme also included a main along the Rubble Mound so that shipping needs could be supplied by gravity. The scheme is called the Medium Term Scheme and £17,179 is estimated to be required to complete the scheme which has increased in cost from £100,000 to £195,000.

(12) *D.4, Item 1: Working Class Dwellings.*—£150,000 was included in the 1947 programme for cheap quarters for working class people at Sheikh Othman. It was proposed that one-third of the scheme should be met from the Colony's Colonial Development and Welfare Fund allocation. By 31st March, 1953, 524 houses had been built, and it is estimated that £45,893 is required to enable the original scheme to be completed. It is hoped that 650 houses will have been provided under this scheme when it is completed.

(13) *D.4, Item 2: Quarters for Local Staff.*—A sum of £35,000 was included in the 1947 programme and this figure was increased to £80,000 in 1949. It is estimated that £41,965 is still available before the full allocation is spent.

(14) *D.5, Item 1: Recreational Facilities.*—A sum of £20,000 was included in the programme in 1947, and the amount was increased to £50,000 in 1949. It was decided by Legislative Council that upon the establishment of a Municipality for the Fortress area the responsibility for developments for recretion should be handed over to the Municipality. A sum of £29,943 was therefore included in the capital grant of £226,351 (see Table No. 2 below) as it was estimated that this represented the value of the uncompleted scheme in the Fortress area. A balance of £1,454 is estimated to be unexpended from the original allocation.

TABLE No. 2 — NEW SCHEMES

18. The explanation of the items appearing in Table No. 2 (paragraph 16 above) is as below—

(1) *D.1, A, Item 1: Second Five-Year Plan (Education).*—The programme as at 1-4-52 included £148,000 which is estimated to be the amount required for extending educational facilities in the five-year period 1952-53 to 1956-57. The main objective of the scheme is to increase the intermediate education for boys, so that more pupils can receive seven years of education. In the case of girls, it is proposed to make a substantial increase in accommodation for primary education and to increase the number of places in intermediate and secondary education. On the basis of 1952 estimation this programme comprised the following items—

1ST YEAR:

1 Boys' Intermediate School	.. ..	270 places
1 Girls' Primary School	.. ..	280 ,,
1 Boys' Primary School	.. ..	280 ,,
		Cost £43,000

2ND YEAR:

1 Boys' Primary School	.. ..	280 places
1 Girls' Intermediate School	.. ..	270 ,,
1 Boys' Intermediate School	.. ..	270 ,,
1 Boys' Primary, Bureika	.. ..	40 ,,
		Cost £46,000

3RD YEAR:

1 Girls' Secondary School	.. ..	150 places
1 Boys' Primary School	.. ..	280 ,,
		Cost £29,000

4TH YEAR:

1 Girls' Primary School	.. ..	280 places
1 Boys' Primary School	.. ..	280 ,,
1 Girls' Primary School (Hiswa)	..	40 ,,
		Cost £30,000

TOTAL CAPITAL COST: £148,000

When the programme was reviewed in April 1953 and it was found that the estimate of resources available for development had decreased, and after considering the priorities of other schemes and the increase in recurrent expenditure arising from this scheme it was proposed to defer it.

(2) *D.1, A, Item 2: Grants-in-aid (Capital).*—The amount of £33,725 represents the total of applications received from private institutions for capital grants-in-aid in 1953-54. Such grants are payable in accordance with the Colony's Grant-in-aid Code. The amount is made up of:

Grant to European School	.. ..	£14,500
,, National School	.. ..	3,000
,, Nahda School	.. ..	6,225
,, Islamia School	.. ..	10,000
		£33,725

Normally such expenditure would be met from Colony revenue; but in 1953-54 it was estimated that this could not be done without drawing on Colony surplus balances. As these balances (apart from the working balance) are pledged to development, and as the expenditure represents capital development it was considered reasonable to include this item in the programme as at April, 1953.

(3) *D.1, B, Item 3: Sewerage Scheme Plans* (see paragraph 17 (7) above).

(4) *D.2, Item 1: Major Roads: Reconstruction.*—This is an item which appears for the first time in the programme in 1953. A survey of the expenditure needed on the major roads of the Colony is in progress but has not yet been completed. But it is possible to say from observation and from the examination which has been made up to date that the expenditure which will be needed will be not less than £200,000. The figure should enable a very reasonable and necessary amount of improvement to be carried out.

(5) *D.3, Item 1: Water Supply.*—In the 1952 edition of the programme a sum of £45,700 was included for preliminary tests and investigations preparatory to the designing of the enlargement and improvement of the water supply. It had been hoped that when the existing scheme (see paragraph 17 (11) above) had been completed the water requirements of the Colony would have been assured till 1957. It is apparent that this was an over-optimistic assessment, and urgent steps are necessary to press on with a major scheme if a serious water shortage is not to develop in the Colony. It is estimated that £29,200 is required to complete the preliminary tests and investigations, and a sum of £300,000 is provisionally allocated for the major scheme pending the preparation of proper estimates.

(6) *D.3, Item 2: Electricity: New Mains and Services.*—The present mains are inadequate for the output of the existing power station and heavy losses of current are occurring. When the new power station is completed the loss would increase to unworkable proportions and safety hazards of a serious nature will arise with the existing mains. The proposals under this scheme have the following objectives—

(a) to increase the capacity of all feeders;

(b) to ensure safety in operation;

(c) to rearrange existing radial feeders into ring mains and to provide the necessary automatic switchgear at sub-stations so as to secure the minimum of interruption to supply in the event of faults which may occur in the distribution system. This scheme is expected to take about 10 years to complete and to cost at present prices, £360,000; of this about £200,000 will be needed in the period ending 31st March, 1957. The balance of the sum of £250,000 is required for other capital items necessary for an expanding undertaking.

(7) *D.4: "C" Class Housing Scheme.*—The 1952 edition of the plan included £1,115,000 for this scheme. £15,000 was included to cover the staff for supervising the construction of the scheme. It is now proposed that the total sum of £1,100,000 should include provision for this staff. The scheme envisaged the construction of "C" class quarters as follows—

100 married units	50 plots	Crater at	£900 ..	£ 45,000
600 ,, ,, ..	300 ,,	Maalla at	£900 ..	£270,000
400 ,, ,, ..	400 ,,	Maalla at	£300 ..	£120,000
1,000 ,, ,, ..	1,000 ,,	Khormaksar at	£300 ..	£300,000
500 ,, ,, ..	500 ,,	Sheikh Othman	£300 ..	£150,000
2,600 married units	.. ..			£885,000
500 units for 1,000 single men at	.. ..		£300 ..	£150,000
				£1,035,000
Contingencies				65,000
				£1,100,000

The indications are that the type of quarter originally proposed will cost nearer £500 per single married unit. An economic rent at even only 8½ per cent per annum would necessitate fixing a rent of over Sh.75 per month. This would be excessive at present wage levels for the working class population. An attempt is therefore being made to find a cheaper design. In any event it is probable that the scheme as detailed above will receive modification.

(8) *D.4, Item 2: Housing for Expatriate Staff.*—It was estimated in 1952 that about 14 quarters could be obtained for £65,000. The number is now considerably less unless blocks of flats are provided. The scheme does not complete foreseeable requirements, and it is estimated that £32,014 remained to be spent in April 1953 from the original allocation.

(9) *D.4, Item 3: Housing for Local Staff (2nd Instalment).*—This item is a further instalment to provide quarters for local staff. It does not cover all foreseeable requirements, but no further allocation is justified until further progress has been made with the original and this second instalment.

(10) *D.4, Item 4: Police Housing.*—The item of £198,000 included in the 1952 edition was part of a larger scheme estimated to cost £454,000 which would take longer than five years to complete. In the current scheme this item has had to be deferred for financial reasons. The Civil Police live in quarters which are scattered round the Township areas. In most cases the standard of accommodation is very low, and is in any event only suitable for single men, though married constables live in them. In Sheikh Othman the police quarters are rented by Government from a private landlord and are sub-standard. The main outlines of the larger scheme are to build better standard dwellings and to group them together so that the Police can live under better conditions. It is considered that married quarters should be provided for 50 per cent of the Force, and single accommodation for the remainder. In order that the Crater police may be grouped in lines it will be necessary to move the Armed Police lines to new barracks at Khormaksar and the scheme includes provision for this. It is hoped that when the scheme is completed it will be possible to release some 350 sites and houses for the general public. Additional revenue will accrue from the disposal of these plots and houses.

The full Scheme proposes expenditure as follows—

1ST YEAR: SHEIKH OTHMAN AREA—		£
Type B Quarters ..	1 ..	1,500
Type C1 Quarters ..	2 ..	1,500
Type C Quarters ..	49 ..	34,000
Ancillary buildings ..	..	8,000
		£45,000

2ND YEAR: MAALLA AREA—		£
Type A Quarters ..	2 ..	4,100
Type B Quarters ..	5 ..	7,500
Type C1 Quarters ..	4 ..	3,000
Type C Quarters ..	98 ..	68,400
Ancillary buildings ..	..	8,000
Land Reclamation ..	..	40,000
		£131,000

3RD YEAR: KHORMAKSAR AREA—			£
Type C1 Quarters	.. 1	..	700
Type C Quarters	.. 19	..	13,300
Ancillary buildings	..	..	8,000
			£22,000

SUBSEQUENT YEARS: CRATER AREA—			£
Type A Quarters	.. 1	..	2,050
Type B Quarters	.. 2	..	3,000
Type C1 Quarters	.. 1	..	750
Type C Quarters	.. 60	..	42,000
Ancillary buildings	..	..	8,000
			£ 55,800
Armed Police Barracks		..	£200,000
Total (say)	..	..	£256,000
Total for Scheme	..	..	£454,000

It is not possible to say at present when or how this Scheme can be carried out.

(11) *D.5, Item 1: New Government House.*—A sum of £50,000 was included in the development programme in 1952. The existing building is no longer large enough or suitable for His Excellency under present conditions in Aden. It is proposed to replace the present haphazard arrangement of structures with a single dignified building.

(12) *D.5, Item 2: Rubble Mound: Share of Cost; Coal Wharves.*—It has been agreed that the Aden Port Trust will construct coal wharves and a road of access on the Rubble Mound in order that the present coal wharves may be removed. The land which will thus be freed will be disposed of, and it is proposed that Government and the Port Trust shall share the cost of the new project and also the land disposal revenue in equal parts. The estimated cost of the project as at April 1953 was—

	£
Cost of coal wharves	89,850
Cost of road	28,575
Compensation for unexhausted improvements to present wharves	23,104
	£141,529

Since then the scheme has been modified partly on account of increased costs, but mainly because the demand for coal has considerably diminished. It is estimated that the revised scheme will now cost approximately £134,700.

(13) *D.5, Item 3: Loans to Primary Producers.*—£50,000 was included in the 1952 programme to enable Government to implement the recommendations of the Marketing Committee. The money is required to provide capital for producer associations and to free primary producers (which includes fishermen) from debt.

(14) *D.5, Item 4: Government Offices.*—A sum of £200,000 was inserted in the 1952 programme to cover the building of a central block of offices. In the 1953 edition of the programme the amount had to be reduced to £100,000 for financial reasons. The estimate is a token sum as no plans have yet been prepared.

(15) *D.5, Item 5: Markets.*—A sum of £50,000 was allocated in the 1952 edition of the programme to cover the cost of building a central wholesale market and to cover capital improvements to other markets. When a Municipality was established in April 1953, the responsibility for markets in the municipal area passed to the Municipality, and Legislative Council therefore agreed that this scheme and the capital funds to cover it should be transferred to the Municipality (see Head D.5, Item 9, below).

(16) *D.5, Land Reclamation, Maalla.*—A sum of £400,000 was allocated in the 1952 edition of the programme to cover the cost of reclaiming approximately 40 acres of land at Maalla where land is urgently needed for housing, commercial, and industrial purposes. It was estimated that the cost of reclaiming by dry fill would be about £10,000 per acre. The item was deferred in the 1953 edition of the programme for financial reasons.

(17) *D.5, Item 7: Purchase of Central Quarry and Asphalt Plant.*—The Director of Public Works has advised that without roadmaking plant and a central quarry plant for crushing stone and manufacturing asphalt it will not be possible for the department to undertake any reconstruction of any of the Colony's roads which will rapidly deteriorate under pressure of present traffic. The plant will be used primarily for the roads programme, which may be expected to take anything from three to four years to complete, and it will also be available for the production of crushed stone for concrete construction and will therefore be available for use in conjunction with other development projects.

(18) *D.5, Item 8: Public Works Department, Vehicle Workshop.*—The present workshop is completely inadequate to cope with the fleet of about 100 Government vehicles which is increasing. Private garages in Aden do not provide a satisfactory service for this purpose, and if excessive expenditure on replacing Government vehicles is not to be incurred, provision must be made for reasonable maintenance. For this purpose a new workshop is essential.

(19) *D.5, Item 9: Capital Grant to Aden Municipality.*—With the establishment of a Municipality in the Fortress area in 1953 the responsibility for certain development works passed to the municipal authority. As the authority has no surplus funds of its own, it was decided to make a capital grant to the authority to enable it to finance these developments and also to provide it with initial capital for other works which it might desire to undertake. The item is made up as follows—

	£
New Roads and Footpaths (transferred scheme) ..	96,408
Recreational facilities (transferred scheme)	29,943
Markets (transferred scheme)	50,000
Other Municipal works	50,000
TOTAL	£226,351

19. A summary of the development programme as at 1-4-53 will be found at Appendix II. The appendix also endeavours to show the rate of expenditure proposed during the four years 1953-54 to 1956-57.

PART IV

Recurrent Commitments Arising from the Development Plan

20. Appendix IV gives details to show what recurrent expenditure may be expected to arise from the schemes which are still to be completed as at 1st April, 1953. As it is hoped that the bulk of the programme can be completed by the 31st March, 1957, the estimated recurrent costs in 1957-58 are included as this should be the first full year in which many schemes are in operation.

21. Where estimates of recurrent expenditure can be explained by footnotes this has been done by means of footnotes to Appendix IV. There are a number of schemes which require a longer explanation and these are given below:

(1) *D.1A, Item 1: Girls' College.*—The recurrent expenditure shown includes the anticipated additional recurrent expenditure required for giving full effect to the Education first Five-Year Plan and does not relate solely to the Girls' College. The figures for 1956-57 and 1957-58 include £2,000 for maintenance of the buildings of the Girls' College at 2 per cent of their estimated cost.

(2) *D.1B, Item 5: New Civil Hospital.*—It is proposed that the new Civil Hospital scheme (stage one) should add 220 beds to the total existing number of beds available in Government hospitals. It seems unlikely that this scheme will be completed before the last few months

of 1956 and it is therefore estimated that no additional recurrent expenditure need be considered until 1957. Owing to the increasing pressure on the present Civil Hospital it is anticipated that even when 220 additional beds are provided they will probably be occupied 100 per cent. On the present basis of expenditure in the Medical Department, the cost per bed per day works out at Sh.17 per bed per day. The Director of Medical Services has advised that on this basis the hospitals are under staffed. If the minimum necessary staffing, and the minimum necessary facilities are to be provided it is estimated that the cost per bed per day will be not less than Sh.20 per day. The recurrent expenditure in a full year has therefore been calculated on the following basis:

	£	
220 beds at £1 per day	80,300	per annum
Maintenance: 1 per cent on £1,100,000 ..	11,000	per annum
Cost of running equipment, air conditioning, boilers (not included in the charge of £1 per day)	10,000	per annum
TOTAL	£101,300	

(3) *D.1B, Item 6: Improvements to Sanitary Outfalls.*—In view of the comments which have been made elsewhere in this memorandum on the question of the disposal of sewage it is not proposed to continue with this scheme, so no recurrent commitments arise.

(4) *D.2: Item 2. New Telephone Exchange.*

D.3: Item 1. Electricity (New Power Station).

Item 2. Electricity (New Mains and Services).

Item 3. Water Supply (Medium Term Scheme).

Item 4. Water Supply (Long Term Scheme).

All these schemes are revenue earning schemes, and proposals are being worked out so that these undertakings can be accounted for on a self-financing basis. The main principles involved are that profits made by the undertakings should be available either for improving the service or for reducing the cost of the service. Similarly, losses should be borne by the undertaking and ultimately by the users of the services provided. All direct operating and maintenance expenditure will therefore be covered by the tariffs of charges. With regard to capital charges due in respect of the loan monies which it is proposed to use on these revenue earning schemes, the broad principle hitherto has been that the undertakings should cover all the loan charges. If this principle is strictly applied it will mean that the consumers will ultimately be the owners of the various undertakings. This question raises a matter of policy which has not yet been decided and while it may ultimately be decided that the undertakings will not be expected to reimburse Government for the sinking fund payment due on the loan there are probably good

grounds for the undertakings being required to pay a slightly higher rate of interest than that payable by Government. In view of these considerations, no additional commitments have been shown against these schemes in respect of capital charges.

(5) *D.4, Item 5: "C" Class Housing Scheme.*—As explained elsewhere in this memorandum the estimated cost of the existing designs of "C" Class housing has risen to approximately £500 per married unit. If no cheaper house can be built the economic rent of such a house will, at 8½ per cent of the capital cost, be in the region of Sh.75 per month. Such a monthly rent would be beyond the financial capacity of the wage earning section of the population for whom these houses are intended and it would be necessary to subsidise rents. The annual recurrent commitments shown in Appendix IV are based on the assumption that a subsidy of Sh.20 per month will be incurred. The policy on this question has not yet been decided and the figures have been included mainly in order to draw attention to this problem which must be faced if satisfactory progress is to be made with the housing scheme as a whole. The calculations have been worked out on the following theoretical basis—

			£	£
1953-54	200	quarters completed.		
1954-55	200	quarters fully occupied	2,400	..
	600	quarters average 50% occupied ..	3,600	.. 6,000
1955-56	800	quarters fully occupied	9,600	..
	1,000	quarters average 50% occupied	6,000	.. 15,600
1956-57	1,800	quarters fully occupied	21,600	..
	1,300	quarters half occupied	7,700	.. 29,300
1957-58	3,100	quarters fully occupied	..	.. 37,200

(6) *D.5, Item 6: Purchase of Central Quarry and Asphalt Plant.*—The recurrent commitments on this scheme are estimated as Nil because the Director of Public Works proposes to account for the cost of operating the plant in such a way that the materials it produces will be sold at cost to the various construction votes, thus covering the cost of operating and writing down this unit.

22. It is not possible to do more than give a very rough indication of the probable recurrent effect of a Colony loan because the terms on which a loan may be raised are not yet known, furthermore the rate of development expenditure can at present only be estimated on broad lines. It is proposed that if a loan of £2,500,000 is approved it should be used as follows—

	£
Telephone Exchange	368,850
New Power Station	776,000
Water Supply—Medium Term Scheme	195,000
Water Supply—Long Term Scheme	345,700
Electricity—New Mains and Services	250,000
"C" Class Housing	564,450
	£2,500,000

23. Appendix III shows that it is proposed to draw a loan of £1,300,000 in 1953-54 (or 1954-55) and £1,200,000 in 1955-56. If the terms are interest at 4½ per cent and sinking fund contribution 1½ per cent, the recurrent charges will be—

1954-55 to 1955-56	£78,000 per annum.
1956-57 onwards	£150,000 per annum.

Appendix V contains a calculation of the possible recurrent effect of these proposals. Although it appears that revenue will be required to cover £38,500 in 1955-56 and £9,000 in 1956-57, it is probable that any unexpended balance of a loan will be able to be invested and so interest will accrue to offset some of this expenditure.

PART V

Colonial Development and Welfare Fund and Revenue

24. In 1949 the Colony was informed that a sum of £300,000 had been earmarked for suitable development schemes in the Colony from Colonial Development and Welfare Funds. Allocations from this amount are made when a scheme has been submitted to and approved by the Secretary of State. The present position is as follows—

(1) *Civil Airport Buidling* (*C. D. & W. Scheme No. D.916*).—Approval has been given to spend £56,000 on the new Civil Airport building at Khormaksar. The building has been built and the scheme completed.

(2) *Working Class Dwellings, Sheikh Othman* (*C. D. & W. Scheme No. D.792*).—It was proposed that £150,000 should be spent on building working class dwellings at Sheikh Othman and that approximately one-third of this amount should be provided by a grant from Colonial Development and Welfare Funds. Approval was originally only given to a grant of £27,500 because it was thought that assistance under the Colonial Development and Welfare Act would cease to exist before this scheme could be completed, and it was estimated that £27,500 would be one-third of the total amount which could be spent in the period. As the period in which assistance is available has now been extended, it has been agreed that one-third of the expenditure on this scheme after 31st March, 1953, will qualify for assistance up to a figure of £22,500. It has yet to be decided whether the total expenditure on schemes D.916 (above) and this scheme (D.792) should be restricted to grants totalling £100,000 in order that £200,000 may be available for a grant towards the new Civil Hospital. If a decision is taken to this effect the maximum grant which the Colony will be able to obtain towards the cost of the working class dwellings at Sheikh Othman will be £44,000, i.e., £27,500, as already approved, plus a further grant of £16,500.

(3) It is proposed that the balance of £200,000 in the Colony's Colonial Department and Welfare allocation should be used towards assisting in paying for the new Civil Hospital. No application has yet been made.

25. Part IV of this memorandum sets out the effect upon the recurrent expenditure of schemes detailed in Part III. Before concluding, a general note is given of the possible effect of these development schemes upon the Colony's recurrent revenue.

(1) *Social Services: Education.*—Allowance should be made for school fees in respect of pupils at the Girls' College. The amount when the College is full may be expected to be about £500 per annum.

(2) *Social Services: Medical.*—With the increase in accommodation provided by the new Civil Hospital additional revenue should be obtained and it is estimated that not less than £7,500 will be added to the receipts already collected in respect of medical fees.

(3) *Social Services*: *Public Health: Water-borne Sewerage Scheme.*—The present proposal is that after this scheme has been completed it will be handed over to the Municipality for operation and maintenance. The rating policy which the Municipality may adopt when this scheme is completed has not yet been discussed and in any event additional revenue will not accrue to Government from this scheme.

(4) *D.2: Communications.*—It is not expected that any additional revenue will accrue from schemes under this heading. The revenue obtained by the new telephone exchange will, if the proposals referred to in Part IV for accounting for this scheme are approved, accrue to the undertaking and will not accrue to the Colony.

(5) *D.3: Public Utilities.*—Similar comments apply as under D.2 in respect of the new telephone exchange.

(6) *D.7: Housing.*—With the exception of the "C" Class housing scheme revenue should be earned from all the other housing built for Government staff. As the rent collected on such houses is based on a percentage of the officer's pay no reliable estimate of revenue can be made, but it is probable that the return would be between £2,000 and £3,000 per annum over and above the present collections. Rents on the working class dwellings at Sheikh Othman have been fixed at Sh.4.87 per month, and when the total number of houses have been completed the revenue from this scheme should amount to £1,900 per annum or approximately £300 per annum more than is collected at present.

(7) *D.5: Miscellaneous.*—It is not expected that these items will produce additional revenue.

APPENDIX I

FIRST FIVE-YEAR PLAN

Details	Allocation 1947 £	Allocation 1949 £	Estimated Balance to complete as at 31-3-52 £	Estimated Balance to complete as in April 1953 £
HEAD D.1—SOCIAL SERVICES				
A.—EDUCATION				
1. Boys' Primary School	75,000	51,000	—	—
2. Girls' Schools, Tawahi, Sheikh Othman, and Crater	19,500	26,000	—	—
3. Technical College	15,000	50,000	—	—
4. Girls' College, with Teacher Training and Boarding	20,000	75,000	100,000	98,212
5. Aden College	—	140,000	53,575	16,000
6. School for the Blind	—	5,000	—	—
7. Scholarships	15,000	5,000	2,784	1,844
Total: A—Education ..	144,500	352,000	156,359	116,056
B.—MEDICAL AND PUBLIC HEALTH				
8. New Civil Hospital	400,000	400,000	950,000	1,097,808
9. Health Centres	15,000	15,000	15,000	—
10. Improvements to Sanitary Outfalls	—	10,000	9,375	—
11. Water-Borne Sewerage System ..	100,000	—	—	615,000
Total: B—Medical and Public Health	515,000	425,000	974,375	1,712,808
Total: D.1—Social Services..	659,500	777,000	1,130,734	1,828,864
D.2—COMMUNICATIONS				
1. New Roads and Footpaths ..	200,000	200,000	135,021	23,363
2. New Telephone Exchange ..	100,000	150,000	252,712	354,362
3. Civil Airport Building	50,000	56,000	—	—
Total: D.2—Communications	350,000	406,000	387,733	377,725
D.3—PUBLIC UTILITIES				
1. Electricity (New Power Station)..	100,000	400,000	556,600	514,854
2. Water Supply (Medium Term Scheme)..	100,000	110,000	45,000	17,179
Total: D.3—Public Utilities..	200,000	510,000	601,600	532,033

[*Continued on page 25*

Appendix I—*continued*

First Five-Year Plan—*continued*

Details	Allocation 1947 £	Allocation 1949 £	Estimated Balance to complete as at 31-3-52 £	Estimated Balance to complete as in April 1953 £
D.4—HOUSING				
1. Working Class Dwellings ..	150,000	150,000	61,403	45,893
2. Quarters for expatriate staff (1st instalment)	50,000	50,000	—	—
3. Quarters for local staff	35,000	80,000	39,997	41,965
Total: D.4—Housing ..	235,000	280,000	101,400	87,858
D.5—MISCELLANEOUS				
1. Recreational facilities	20,000	50,000	38,505	1,454
2. Architectural and Town Planning Department	150,000	—	—	—
3. Economic and Labour Survey ..	—	10,000	—	—
Total: D.5—Miscellaneous ..	170,000	60,000	38,505	1,454
SUMMARY				
D.1—Social Services	659,500	777,000	1,130,734	1,828,864
D.2—Communications	350,000	406,000	387,733	377,725
D.3—Public Utilities	200,000	510,000	601,600	532,033
D.4—Housing	235,000	280,000	101,400	87,858
D.5—Miscellaneous	170,000	60,000	38,505	1,454
GRAND TOTAL	1,614,500	2,033,000	2,259,972	2,827,934

APPENDIX II

DEVELOPMENT PROGRAMME AS AT APRIL 1953

Details	Position as at 1-4-53 Revised estimate of total cost £	Position as at 1-4-53 Required to complete Scheme £	1953-54 £	1954-55 £	1955-56 £	1956-57 £
D.1—SOCIAL SERVICES						
A.—EDUCATION						
1. Girls' College	100,000	98,212	—	75,000	23,212	—
2. Aden College	210,000	16,000	16,000	—	—	—
3. Scholarships	5,000	1,844	1,844	—	—	—
4. Grants-in-aid (Capital)	33,725	33,725	33,725	—	—	—
B—MEDICAL AND PUBLIC HEALTH						
5. New Civil Hospital	1,100,000	1,097,808	100,000	500,000	497,808	—
6. Improvements to Sanitary Outfalls	10,000	—	—	—	—	—
7. Water-Borne Sewerage Scheme	615,000	615,000	15,000	100,000	200,000	300,000
Total: D.1—Social Services	2,073,725	1,862,589	166,569	675,000	721,020	300,000
D.2—COMMUNICATIONS						
1. New Roads and Footpaths	200,000	23,363	5,000	5000	6,000	7,363
2. New Telephone Exchange	368,850	354,362	344,362	10,000	—	—
3. Major Roads—Reconstruction	200,000	200,000	50,000	50,000	50,000	50,000
Total: D.2—Communications	768,850	577,725	399,362	65,000	55,000	57,363

[*Continued on page 27*

Development Programme as at April 1953—*continued*

Details	Position as at 1-4-53 Revised estimate of total cost £	Required to complete scheme £	1953-54 £	1954-55 £	1955-56 £	1956-57 £
D.3—PUBLIC UTILITIES						
1. Electricity (New Power Station)	776,000	514,854	514,854	—	—	—
2. Electricity (General expansion and improvement)	250,000	250,000	20,000	80,000	100,000	50,000
3. Water Supply (Medium Term Scheme)	195,000	17,179	17,179	—	—	—
4. Water Supply (Long Term Scheme)	345,700	329,200	15,000	114,200	100,000	100,000
Total: D.3—Public Utilities..	1,566,700	1,111,233	567,033	194,200	200,000	150,000
D.4—HOUSING						
1. Working Class Dwellings	150,000	45,893	40,000	5,893	—	—
2. Quarters for local staff (1st instalment)	80,000	41,965	41,965	—	—	—
3. Housing for expatriate staff (2nd instalment) ..	85,014	32,014	32,014	—	—	—
4. Quarters for local staff (2nd instalment).. ..	80,000	85,000	—	25,000	25,000	35,000
5. "C" Class Housing Scheme	1,100,000	1,100,000	72,000	200,000	328,000	500,000
Total: D.4—Housing	1,500,014	1,304,872	185,979	230,893	353,000	535,000

[*Continued on page 28*

Appendix II—*continued*

Development Programme as at April 1953—*continued*

Details	Position as at 1-4-53 Revised estimate of total cost £	Position as at 1-4-53 Required to complete scheme £	1953-54 £	1954-55 £	1955-56 £	1956-57 £
D.5—MISCELLANEOUS						
1. Recreational Facilities	50,000	1,454	—	1,454	—	—
2. New Government House	50,000	50,000	2,500	45,000	2,500	—
3. Rubble Mound : share of cost, coal wharves ..	72,000	72,000	—	72,000	—	—
4. Loans to Primary Producers	50,000	50,000	5,000	5,000	20,000	20,000
5. Government Offices	100,000	100,000	—	—	—	100,000
6. Purchase of Central Quarry and Asphalt Plant	50,000	50,000	50,000	—	—	—
7. Public Works Department, Vehicle Workshop ..	10,000	10,000	10,000	—	—	—
8. Capital Grant to Aden Municipality	226,351	226,351	226,351	—	—	—
Total: D.5—Miscellaneous	608,351	559,805	293,851	123,454	22,500	120,000
SUMMARY						
D.1—Social Services	2,073,725	1,862,589	166,569	675,000	721,020	300,000
D.2—Communications	768,850	577,725	399,362	65,000	56,000	57,363
D.3—Public Utilities	1,566,700	1,111,233	567,033	194,200	200,000	150,000
D.4—Housing	1,500,014	1,304,872	185,979	230,893	353,000	535,000
D.5—Miscellaneous	608,351	559,805	293,851	123,454	22,500	120,000
Total: Development Programme as at 1-4-53	6,517,640	5,416,224	1,612,794	1,288,547	1,352,520	1,162,363

PROPOSED UTILISATION OF RESOURCES — DEVELOPMENT FUND

	1953-54 £	1954-55 £	1955-56 £	1956-57 £
1. Estimated Balance in Development Fund beginning of year	1,222,640	149,497	531,200	603,680
2. Transfers from surplus balances	—	—	125,000	100,000
3. Transfer from Ex Aden Settlement Fund	226,351	—	—	—
4. Estimated contributions from revenue (including interest on investments) ..	200,000	100,000	100,000	100,000
5. Estimated contributions from C. D. and W. funds	113,300	120,250	—	—
6. Loan from H.M.G. (Refinery)	—	150,000	—	—
7. Colony Loans	—	1,300,000	1,200,000	500,000
	1,762,291	1,819,747	1,956,200	1,303,680
8 *Less* Estimated expenditure during the year	1,612,794	1,288,547	1,352,520	1,162,363
9. Estimated Balance in Development Fund at close of year	149,497	531,200	603,680	141,317

APPENDIX IV

ESTIMATED RECURRENT EXPENDITURE ARISING FROM DEVELOPMENT PLAN AS AT 1-4-53

Details	1953-54 £	1954-55 £	1955-56 £	1956-57 £	1957-58 £
D.1—SOCIAL SERVICES					
A—EDUCATION					
1. Girls' College	—	20,250	25,380	29,910	29,910(d)
2. Aden College	—	—	—	—	— (b)
3. Scholarships	—	—	—	—	— (c)
4. Grants-in-aid (capital)	—	—	—	—	— (c)
B.—MEDICAL AND PUBLIC HEALTH					
5. New Civil Hospital	—	—	—	—	101,300 (d)
6. Improvements to Sanitary Outfalls	—	—	—	—	— (d)
7. Water-borne Sewage Scheme	—	—	—	—	12,000 (e)
Total: D.1—Social Services	—	20,250	25,380	29,910	143,210
D.2—COMMUNICATIONS					
1. New Roads and Footpaths	—	250	500	800	1,200(f)
2. New Telephone Exchange	—	—	—	—	— (d)
3. Major Roads—Reconstruction	—	—	—	—	— (e)
Total: D.2—Communications	—	250	500	800	1,200
D.3—PUBLIC UTILITIES					
1. Electricity (New Power Station)	—	—	—	—	— (d)
2. Electricity (New Mains and Services)	—	—	—	—	— (d)
3. Water Supply (Medium Term Scheme)	—	—	—	—	— (d)
4. Water Supply (Long Term Scheme)	—	—	—	—	— (d)
Total: D.3—Public Utilities	—	—	—	—	—

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Estimated Recurrent Expenditure Arising from Development Plan as at 1-4-53—*continued*

Details	1953-54 £	1954-55 £	1955-56 £	1956-57 £	1957-58 £
D.4—HOUSING					
1. Working Class Dwellings	—	1,600	1,800	1,800	1,800 (g)
2. Quarters for local staff (1st instalment)	—	840	840	840	840 (a)
3. Housing for expatriate staff (2nd instalment)	—	640	640	640	640 (a)
4. Quarters for local staff (2nd instalment)	—	—	500	1,000	1,700 (a)
5. "C" Class Housing Scheme	—	6,000	15,600	29,300	37,200 (d)
Total: D.4—Housing	—	9,080	19,380	33,580	42,180
D.5—MISCELLANEOUS					
1. Recreational facilities	—	—	—	—	— (c)
2. New Government House	—	—	1,000	1,000	1,000 (a)
3. Rubble Mound: share of cost, coal wharves	—	—	—	—	— (c)
4. Loans to Primary Producers	—	—	—	—	— (c)
5. Government Offices	—	—	—	—	2,000 (a)
6. Purchase of Central Quarry and Asphalt Plant	—	—	—	—	— (d)
7. Public Works Dept. Vehicle Workshop	—	100	100	100	100 (a)
8. Capital grant to Aden Municipality	—	—	—	—	— (c)
Total: D.5—Miscllaneous	—	100	1,100	1,100	3,100

FOOTNOTES

(a) Maintenance of buildings at 2 per cent of estimated capital expenditure.
(b) Maintenance covered by recurrent Colony budget.
(c) Recurrent commitments do not arise.
(d) See Part IV of Memorandum on Colony Development Plan.
(e) Estimated cost of maintenance which in initial years is expected to involve additional grant-in-aid to Municipality.
(f) Maintenance estimated at 5 per cent of capital expenditure:
(g) Maintenance of buildings at 4 per cent of capital expenditure.

APPENDIX V

THE COLONY'S ESTIMATED LIABILITY FOR PUBLIC DEBT: HEAD—PUBLIC DEBT

			1954:55 £	1955-56 £	1956-57 £	1957-58 £
1. Loan of £1,300,000: annual equated payments at 6 per cent			78,000	78,000	78,000	78,000
2. Loan of £1,200,000: terms as above			—	72,000	72,000	72,000
			78,000	150,000	150,000	150,000
3. *Less* re-imbursement by—						
Electricity	£776,000	= £46,560				
Water	£195,000	= £11,700				
Telephone	£368,850	= £22,130				
	£1,339,850	= £80,390	78,000	78,000	78,000	78,000
4. *Less* re-imbursement 1955-56 by—						
Water: D.5, Item 1		£ 45,700				
Electricity: D.6, Item 1		£ 50,000				
Electricity (new)		£ 50,000				
Water (new)		£100,000				
Balance: Item 3 above		£ 39,850				
Housing: "C" Class		£272,000				
		£557,550	—	33,500	33,500	33,500
		Carried forward	78,000	111,500	111,500	111,500

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The Colony's Estimated Liability for Public Debt: Head—Public Debt—*continued*

		1954-55 £	1955-56 £	1956-57 £	1957-58 £
	Brought forward ..	78,000	111,500	111,500	111,500
5. *Less* re-imbursements 1956-57—					
Electricity (new) £100,000					
Water (new) £100,000					
Housing: "C" Class £292,450					
£492,450		—	—	29,500	29,500
6. *Less* re-imbursements 1957-58—					
Electricity (new) .. .. £ 50,000					
Water (new) £100,000					
£150,000		—	—	—	9,000
		78,000	111,500	141,000	150,000
Net Cost: Head—Public Debt		—	38,500	9,000	—